

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0446-01  
Bill No.: SB 86  
Subject: Insurance - Medical; Health Care; Licenses - Driver's  
Type: #Corrected  
Date: January 30, 2003  
# Corrected bill number.

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Unknown expected to exceed \$100,000)	(Unknown expected to exceed \$100,000)	(Unknown expected to exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown expected to exceed \$100,000)</b>	<b>(Unknown expected to exceed \$100,000)</b>	<b>(Unknown expected to exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Insurance Dedicated	\$8,000	\$0	\$0
Highway	(Unknown)	(Unknown)	(Unknown)
Conservation Commission	(Unknown)	(Unknown)	(Unknown)
Other Funds	(Unknown expected to exceed \$100,000)	(Unknown expected to exceed \$100,000)	(Unknown expected to exceed \$100,000)
<b>Total Estimated Net Effect on All State Funds</b>	<b>(Unknown expected to exceed \$100,000)</b>	<b>(Unknown expected to exceed \$100,000)</b>	<b>(Unknown expected to exceed \$100,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>
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FUND AFFECTED	FY 2004	FY 2005	FY 2006
Federal Funds	(Unknown expected to exceed \$100,000)	(Unknown expected to exceed \$100,000)	(Unknown expected to exceed \$100,000)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown expected to exceed \$100,000)</b>	<b>(Unknown expected to exceed \$100,000)</b>	<b>(Unknown expected to exceed \$100,000)</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>(Unknown expected to exceed \$100,000)</b>	<b>(Unknown expected to exceed \$100,000)</b>	<b>(Unknown expected to exceed \$100,000)</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from **Department of Social Services - Division of Medical Services** assume the proposal will have no fiscal impact on their organization. Currently, the Medicaid program covers the screening techniques for nonsymptomatic men with above normal prostate specific antigen.

Officials from the **Department of Health and Senior Services (DOH)** assume this proposal would not significantly impact the operations of the DOH. If the proposal were to substantially impact the DOH programs, then the Department would request funding through the legislative process.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to the Department of Transportation for response regarding the fiscal impact of this proposal on the MHP.

Officials from the **Department of Transportation** stated the first item, pertaining to anatomical donations for minors at least 16 years of age, is only a language clarification and will have no fiscal

ASSUMPTION (continued)

impact on the Missouri Highway and Transportation Commission (MHTC) or the Highway & Patrol Medical Plan. The third item which requires coverage of bone scans and prostate antibody imaging (PSA) for any otherwise nonsymptomatic man covered under such policy or contract for which there is an earlier diagnosis or reoccurrence, and as a guide for appropriate therapy in patients who have an above normal, or rising PSA is currently covered and therefore, will have no fiscal impact to MHTC or the Highway & Patrol Medical Plan. The second item, which requires coverage of Phase I and II of clinical trials for cancer will have fiscal impact to the Highway & Patrol Medical Plan. Currently the Medical Plan does not provide coverage for these phases of a clinical trial for cancer. The anticipated impact of this section of the proposal is unknown.

Officials from **Missouri Consolidated Health Care Plan** sated this proposal requires health insurance companies to provide coverage for routine patient care costs incurred as the result of phase I or II clinical trials to treat cancer. Currently, Section 376.429, RSMo, requires coverage for phases III or IV only. Mandating coverage for all phases of cancer clinical trials has the potential to add cost. Studies vary as to the cost for clinical trials versus the cost for standard care. According to the American Cancer Society website *Journal of Clinical Oncology* (Vol. 19, No. 23: 4330-4339), the “overall costs for patients in clinical trials ranged from 10% less to 23% more than those being treated outside of the trials.”

This proposal also modifies the mandated prostate examination provision of the law by requiring coverage for bone scans and prostate antibody imaging for a nonsymptomatic man for whom there was an earlier diagnosis and as a guide for appropriate therapy for patients who have an above normal prostate specific antigen. This additional mandated coverage will have a cost impact. It is extremely difficult to project the costs and how many members would receive these services. However, every 1% increase in premium would result in an increase of \$284,962 a month for the total premium. The state’s share of this additional premium is \$216,571 and the employees would absorb an additional \$68,391 per month.

**Oversight** assumes unknown costs would be expected to exceed \$100,000 annually.

Officials from the **Department of Insurance** stated the department estimates 160 insurers and HMOs would be required to submit amendments to their policies to comply with this proposal. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$8,000.

ASSUMPTION (continued)

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form amendments and review, the department will need to request additional staff to handle the increase in workload.

Officials from the **Department of Revenue - Division of Motor Vehicles and Drivers Licensing (MV/DL)** provided the following assumptions for this proposal:

**ADMINISTRATIVE IMPACT**

**Division of Motor Vehicle and Drivers Licensing**

**Contracted Programming**

This proposal will require 80 hours of contracted programming in order to make the appropriate program modifications to the over-the counter driver licensing system in order to comply with the parent/guardian signature requirement on the back of the license.

80	Hours of contracted programming
<u>x \$100</u>	Contracted programming rate
\$8,000	Total contracted programming

**Cost Avoidance**

The MV/DL FY04 budget recommendations contain a decision item necessary to provide program modifications to the over-the-counter driver licensing system in order to comply with SB 1026 (2002). The requirements of the current proposal would eliminate the need for the pending decision item.

\$10,000	Contracted Programming for SB1026 (2002)
<u>\$14,960</u>	Overtime Programming for Internal Systems (SB 1026, 2002)
\$24,960	Cost Avoidance

**NOTE: This decision item is pending and has not received final approval.**

Officials from the **Missouri Department of Conservation (MDC)** state this proposal could have a fiscal impact on MDC funds. The amount of the impact is unknown.

FISCAL IMPACT - State Government

FY 2004  
(10 Mo.)

FY 2005

FY 2006

**GENERAL REVENUE FUND**

Costs - Missouri Consolidated Health  
 Care Plan

	<u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u>	<u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u>	<u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u>
Increase in state contributions			

**ESTIMATED NET  
 EFFECT ON  
 GENERAL REVENUE  
 FUND**

<u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u>	<u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u>	<u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u>
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**INSURANCE DEDICATED FUND**

Income - Department of Insurance  
 Policy form filing fees

<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT ON  
 INSURANCE DEDICATED FUND**

<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
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**HIGHWAY FUND**

Savings - Department of Revenue  
 Programming costs

<u>\$16,960*</u>	<u>\$0</u>	<u>\$0</u>
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Costs - Department of Transportation  
 Increase in contributions

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON  
 HIGHWAY FUND**

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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\* Cost avoidance/savings dependant on  
 FY 04 decision item.

FISCAL IMPACT - State Government

FY 2004  
(10 Mo.)

FY 2005

FY 2006

**CONSERVATION COMMISSION**

HW-C:LR:OD (12/02)

Costs - Missouri Department of  
 Conservation

Increase in contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON          CONSERVATION COMMISSION</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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**OTHER FUNDS**

Costs - Missouri Consolidated Health  
 Care Plan

	<u>(Unknown</u>	<u>(Unknown</u>	<u>(Unknown</u>
	<u>expected to</u>	<u>expected to</u>	<u>expected to</u>
Increase in state contributions	<u>exceed</u>	<u>exceed</u>	<u>exceed</u>
	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>

<b>ESTIMATED NET          EFFECT ON          OTHER          FUNDS</b>	<b><u>(Unknown</u></b>	<b><u>(Unknown</u></b>	<b><u>(Unknown</u></b>
	<b><u>expected to</u></b>	<b><u>expected to</u></b>	<b><u>expected to</u></b>
	<b><u>exceed</u></b>	<b><u>exceed</u></b>	<b><u>exceed</u></b>
	<b><u>\$100,000)</u></b>	<b><u>\$100,000)</u></b>	<b><u>\$100,000)</u></b>

**FEDERAL FUNDS**

Costs - Missouri Consolidated Health  
 Care Plan

	<u>(Unknown</u>	<u>(Unknown</u>	<u>(Unknown</u>
	<u>expected to</u>	<u>expected to</u>	<u>expected to</u>
Increase in state contributions	<u>exceed</u>	<u>exceed</u>	<u>exceed</u>
	<u>\$100,000)</u>	<u>\$100,000)</u>	<u>\$100,000)</u>

<b>ESTIMATED NET          EFFECT ON          FEDERAL          FUNDS</b>	<b><u>(Unknown</u></b>	<b><u>(Unknown</u></b>	<b><u>(Unknown</u></b>
	<b><u>expected to</u></b>	<b><u>expected to</u></b>	<b><u>expected to</u></b>
	<b><u>exceed</u></b>	<b><u>exceed</u></b>	<b><u>exceed</u></b>
	<b><u>\$100,000)</u></b>	<b><u>\$100,000)</u></b>	<b><u>\$100,000)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2004	FY 2005	FY 2006
	(10 Mo.)		

**ALL POLITICAL SUBDIVISIONS**

Costs - All Political Subdivisions

Increase in local contributions	<u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u>	<u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u>	<u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u>
<b>ESTIMATED NET EFFECT ON ALL POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u></b>	<b><u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u></b>	<b><u>(Unknown</u> <u>expected to</u> <u>exceed</u> <u>\$100,000)</u></b>

#### FISCAL IMPACT - Small Business

Small businesses could be expected to be fiscally impacted to the extent they incur increased health insurance premiums as a result of the requirements of this proposal. The estimated impact is unknown.

#### DESCRIPTION

This proposal requires health insurance companies to provide coverage for routine patient care costs incurred as the result of phase I or II clinical trials undertaken to treat cancer. Currently, Section 376.429, RSMo, requires coverage for phases III or IV only.

This proposal modifies the mandated prostate examination provision of the law by requiring coverage for bone scans and prostate antibody imaging for a nonsymptomatic man for whom there was an earlier diagnosis and as a guide for appropriate therapy for patients who have an above normal prostate specific antigen.

This proposal changes the procedure in which parental or guardian consent is noted for the organ donation process of minors. Under current law, parental or guardian consent must be noted on the minor's donor card, application for the donor's instruction permit or driver's license, or other document of gift.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

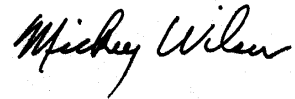
#### SOURCES OF INFORMATION

Department of Transportation  
 Department of Revenue

HW-C:LR:OD (12/02)

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January 30, 2003

Department of Social Services  
Department of Public Safety -  
Missouri Highway Patrol  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation  
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
January 30, 2003